Control on the excess liquidity in the Banking System

*110. SHRI RAOOF VALIULLAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has hiked the SLR to 38 per cent w.e.f. 2nd January, 1988 to control the excess liquidity in the banking system;

(b) whether the RBI is aware that SLR was not a monetary control system but merely a means to transfer funds from the commercial sector to Government;

(c) whether the RBI could have hiked the Cash Reserve Ratio (CRR) and not the SLR to control excess liquidity; and

(d) whether there is any truth in the assertion that an increase in the SLR will help the Centre to reduce its deficit in the current financial year by Rs. 600 crores and if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d) The Reserve Bank of India (RBI) has raised the Statutory Liquidity Ratio (SLR) from 37.5 per cent to 38 per cent of net demand and time liabilities of banks with effect from the fortnight beginning January 2, 1988. According to RBI, Cash Reserve Ratio (CRR) and SLR both are used as instruments of monetary control for moderating the excess bank liquidity. Other things remaining unchanged, an increase in SLR results in higher market borrowings without reliance on net RBI credit, which has a greater effect on total liquidity in the system.

Incidents of Poaching in the Panna National Park in Madhya Pradesh

*111. SHRIMATI VEENA VERMA: SHRI KAPIL VERMA:

Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) whether it is a fact that large-scale poaching is going on in the Panna National Park in Madhya Pradesh and if so, what measures are being taken to stop it; and

(b) whether it is also a fact that a number of tigers have recently been killed in the park and their skins exported; if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRI Z. R. ANSARI): (a) and (b) The information is being collected from the State Government and will be laid on the Table of the House.

Proposal for Sub-division of Bigger States

*112. SHRI R. SAMBASIVA RAO: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether there is any rpoposal under consideration by the Central Government for the sub-division of bigger States into smaller ones for better administration and for strengthening the unity of the country; and

(b) if so, what are the details thereof?

THE MINISTER OF HOME AFFAIRS (SHRI BUTA SINGH): (a) No, Sir.

(b) Does not arise.

Identification of Engineering Companies for Export Drive

*113. SHRI HASHIM RAZA ALLAHABADI ABDI: Will the Minister of COMMERCE be pleased to state: